



Billing Code: 5001-06

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 15-41]

36(b)(1) Arms Sales Notification

AGENCY: Department of Defense, Defense Security Cooperation Agency.

ACTION: Notice.

SUMMARY: The Department of Defense is publishing the unclassified text of a section 36(b)(1) arms sales notification. This is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996.

FOR FURTHER INFORMATION CONTACT: Ms. B. English, DSCA/DBO/CFM, (703) 601-3740.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 15-41 with attached Policy Justification and Sensitivity of Technology.

Dated: June 24, 2015.

Aaron Siegel,
Alternate OSD Federal Register Liaison Officer,
Department of Defense.



DEFENSE SECURITY COOPERATION AGENCY

201 12TH STREET SOUTH, STE 203
ARLINGTON, VA 22202-5408

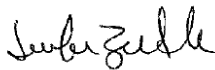
The Honorable John A. Boehner
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

JUN 19 2015

Dear Mr. Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 15-41, concerning the Department of the Navy's proposed Letter(s) of Offer and Acceptance to Australia for defense articles and services estimated to cost \$69 million. After this letter is delivered to your office, we plan to issue a press statement to notify the public of this proposed sale.

Sincerely,


for J. W. Rixey
Vice Admiral, USN
Director

Enclosures:

1. Transmittal
2. Policy Justification
3. Sensitivity of Technology



Transmittal No. 15-41

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act, as amended

- (i) Prospective Purchaser: Australia
- (ii) Total Estimated Value:

Major Defense Equipment*	\$35 million
Sustainment	<u>\$34 million</u>
TOTAL	\$69 million
- (iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase: up to fourteen (14) AGM-88B High Speed Anti-Radiation Missiles (HARM) Tactical Missiles, sixteen (16) AGM-88E Advanced Anti-Radiation Guided Missiles (AARGM) Tactical Missiles, four (4) CATM-88B Captive Air Training Missiles, eight (8) CATM-88E Advanced Anti-Radiation Guided Missiles (AARGM) Captive Air Training Missiles, six (6) AARGM Guidance Sections, five (5) AARGM Control Sections, and two (2) AARGM Tactical Telemetry Missiles (for live fire testing), containers, spares and repair parts, support equipment, publications and technical documentation, personnel training and training equipment, U.S. Government and contractor engineering, technical, and logistics support services, and other elements of logistics and program support.
- (iv) Military Department: Navy (AZN, Amendment #1)
- (v) Prior Related Cases: FMS case AZN-\$37M-12June2013
- (vi) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None
- (vii) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold: See Attached Annex
- (viii) Date Report Delivered to Congress: 19 June 2015

*As defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATION

Australia – AGM-88B High Speed Anti-Radiation Missiles

The Government of Australia has requested possible sale of up to fourteen (14) AGM-88B High Speed Anti-Radiation Missiles (HARM) Tactical Missiles, sixteen (16) AGM-88E Advanced Anti-Radiation Guided Missiles (AARGM) Tactical Missiles, four (4) CATM-88B Captive Air Training Missiles, eight (8) CATM-88E Advanced Anti-Radiation Guided Missiles (AARGM) Captive Air Training Missiles, six (6) AARGM Guidance Sections, five (5) AARGM Control Sections, and two (2) AARGM Tactical Telemetry Missiles (for live fire testing), containers, spares and repair parts, support equipment, publications and technical documentation, personnel training and training equipment, U.S. Government and contractor engineering, technical, and logistics support services, and other elements of logistics and program support. The estimated cost is \$69 million.

This sale will contribute to the foreign policy and national security of the United States by helping to improve the security of Australia, a major contributor to political stability, security, and economic development in Southeast Asia. Australia is an important ally and partner that contributes significantly to peacekeeping and humanitarian operations around the world. It is vital to the U.S. national interest to assist our ally in developing and maintaining a strong and ready self-defense capability. This proposed sale is consistent with those objectives and facilitates burden sharing with a key ally.

The proposed sale will improve Australia's capability in current and future coalition efforts. Australia will use this capability as a deterrent to regional threats and to strengthen its homeland defense. Australia will have no difficulty absorbing these missiles into its armed forces.

The proposed sale of this equipment and support will not alter the basic military balance in the region.

The principal contractor will be Orbital ATK Defense Electronics Systems in Northridge, California. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will not require the assignment of contractor representatives to Australia.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.

Transmittal No. 15-41

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act, as amended

Annex
Item No. vii

(vii) Sensitivity of Technology:

1. The AGM-88E Advanced Anti-Radiation Guided Missile (AARGM) weapon system is an air-to-ground missile intended to suppress or destroy land or sea-based radar emitters associated with enemy air defenses and provides tactical air forces with a lethal countermeasure to enemy radar directed, surface-to-air missiles, and air defense artillery weapons systems. Destruction or suppression of enemy radars denies the enemy the use of air defense systems, thereby improving the survivability of our tactical aircraft. It uses a multimode seeker that incorporates global positioning system/inertial measurement unit (GPS/IMU) midcourse guidance, a radio frequency (RF) radiation homing receiver, an active millimeter wave seeker, an Integrated Broadcast Service Receiver (IBS-R) and a Weapons Impact Assessment (WIA) transmitter. The AARGM AGM-88E when assembled is classified Secret. The AARGM Guidance Section (seeker hardware) and Control Section with the Target Detector is classified Confidential.

2. The AGM-88 High Speed Anti-Radiation Missiles (HARM) weapon system is an air-to-ground missile intended to suppress or destroy land or sea-based radar emitters associated with enemy air defenses and provides tactical air forces with a lethal countermeasure to enemy radar directed, surface-to-air missiles, and air defense artillery weapons systems. Destruction or suppression of enemy radars denies the enemy the use of air defense systems, thereby improving the survivability of our tactical aircraft. The AGM-88B HARM when assembled is classified Confidential. The HARM Guidance Section (seeker hardware), and Control Section with the Target Detector are classified Confidential. The HARM Control Section with the Target Detector is classified Confidential.

3. If a technologically advanced adversary were to obtain knowledge of the specific hardware and software elements of this possible sale, the information could be used to develop countermeasures which might reduce weapon system effectiveness or be used in the development of a system with similar or advanced capabilities.

4. A determination has been made that the Government of Australia can provide substantially the same degree of protection for the technology being released as

the US Government. The sale is necessary in furtherance of the US foreign policy and national security objectives as outlined in the policy justification of the notification.

5. All defense articles and services listed in this transmittal have been authorized for release and export to Australia.

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